Government of the Northwest Territories
Annual Business Plan
2013-2014

1. INTRODUCTION

This annual business plan is an integral part of overall planning within the Government of the Northwest Territories (GNWT). It provides details on the activities that will be undertaken during 2013-14 to advance the vision, goals and priorities developed and agreed to by all Members of the 17th Legislative Assembly under the theme of *Believing in People and Building on the Strengths of Northerners*.

Vision

Strong individuals, families and communities sharing the benefits and responsibilities of a unified, environmentally sustainable and prosperous Northwest Territories

Goals

- A strong and independent north built on partnerships
- An environment that will sustain present and future generations
- Healthy, educated people free from poverty
- A diversified economy that provides all communities and regions with opportunities and choices
- Sustainable, vibrant, safe communities
- Effective and efficient government

Priorities

Build a strong and sustainable future for our Territory by strengthening our relationships with Aboriginal and other northern governments, negotiating and implementing a devolution final agreement, achieving an increase to our borrowing limit, and working with our partners to ensure responsible stewardship through our land and resource management regime.

Increase employment opportunities where they are most needed by decentralizing more GNWT positions, reducing dependency on government by encouraging people who are able to enter or remain in the workforce, and supporting child care programs to help parents become or stay employed.

Strengthen and diversify our economy by making strategic infrastructure investments such as the Inuvik-Tuktoyaktuk highway, the Mackenzie Fibre Optic Link, and hydro initiatives, supporting the Mackenzie Gas Pipeline project, developing a socially responsible and environmentally sustainable economic development and mining strategy, supporting the traditional economy, and improving our regulatory processes.

Address housing needs by completing and implementing the Shelter Policy Review including fair and sustainable public housing rent scales, selling our public housing stock where this makes sense, and putting higher density housing units in small communities.

Ensure a fair and sustainable health care system by investing in prevention, education and awareness and early childhood development, enhancing addictions treatment programs using existing infrastructure, and addressing our health facilities deficit.

The GNWT is undertaking many activities and actions designed to advance these priorities, as well as continuing to support the ongoing core business of government. Seven Committees of Cabinet coordinate activities that are cross-departmental, cross-government or broader than cross-government.

The Committees of Cabinet and their objectives are:

Priorities and Planning Committee of Cabinet: To track and monitor the government's progress in addressing the five key priorities which were established by the Caucus of the 17th Legislative Assembly in November 2011.

Economic and Employment Development Committee of Cabinet: To review evaluate and offer recommendations on matters concerning economic and employment development in the NWT, including attempts to diversify the economy and improving residents' work skills and employability.

Social Envelope Committee of Cabinet: To consider, evaluate and provide advice to Cabinet and the Financial Management Board (FMB) on a range of actions designed to promote, preserve and help manage the long-term health and social well-being of NWT residents.

Managing This Land Committee of Cabinet: To promote a corporate approach to land use and water management consistent with established Cabinet direction.

Ministerial Energy Coordinating and Climate Change Committee of Cabinet: To ensure a focused, coordinated, government-wide approach to the development and implementation of both energy policies and actions designed to address climate change.

Infrastructure Committee of Cabinet: To review and evaluate current GNWT infrastructure planning, acquisition and delivery policies, approaches and mechanisms to ensure a clear and consistent corporate perspective on the planning and acquisition of infrastructure.

Refocusing Government Committee of Cabinet: To propose, track, monitor and evaluate the government's efforts and initiatives related to improving programs and services.

To demonstrate the GNWT's commitment to transparency and accountability in these times of global uncertainty and instability, the Premier has, for the first time, made public the mandate letters to Ministers that outline their key strategic objectives and priority actions. The mandates follow the vision, goals and priorities of the 17th Legislative Assembly and are also operationalized through the work of departments.

The 2013-14 departmental plans include a brief discussion on emerging issues in the operating environment that directly impacts their program and service delivery. They also include descriptions of key activities and details about the work that each department plans to undertake in the upcoming fiscal year to advance their program and service initiatives and respond to the priorities of the Legislative Assembly. A Resource Summary, including financial details and summary of human resources and infrastructure investments is also provided.

2. Emerging Issues

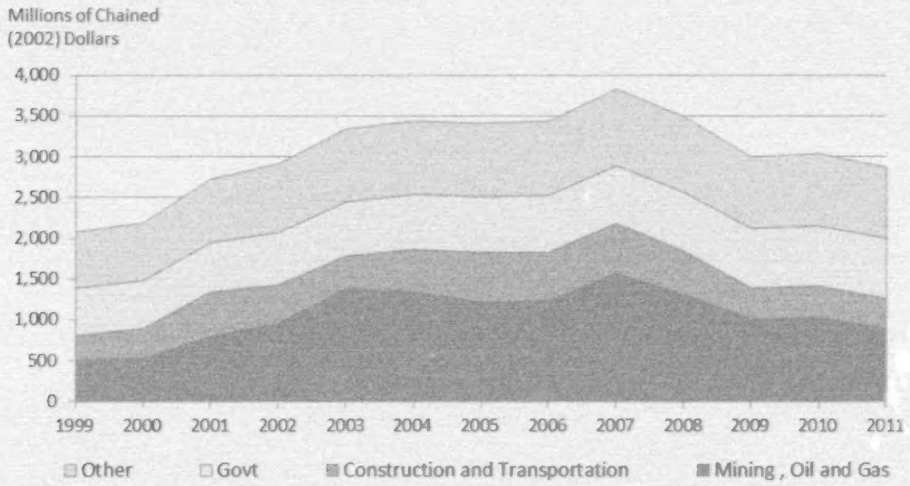
Economic conditions

The territory has experienced limited economic growth in recent years and has been affected by the global recession after a number of years of unprecedented economic growth with the development of the diamond industry and the potential presented by the proposed development of the Mackenzie Gas Project. The decline in mining, oil and gas exploration activities has also impacted industries such as transportation and other service industries.

Overall, investment spending in the Northwest Territories has declined in the last five years, particularly private investment in mining and oil and gas development. Mineral exploration expenditures have also been on the decline in the NWT. Specifically, NWT mineral exploration fell from 6.8% of the Canadian total in 2007 to 2.2% in 2011. On the other hand, public sector investment was higher than historical levels in the past two years because of stimulus funding and the Dehcho Bridge project which is expected to be completed this fall.

In many ways, the impact of the recession followed a similar pattern in the Northwest Territories as the rest of Canada. There was a sharp downturn in economic activity in late 2008, with signs that conditions levelled in early 2009 and began to recover in 2010. In 2010, the economy of the NWT grew by 1.3% while the national GDP growth was 3.4%. Last year, the NWT's GDP declined by 5.5% while at the same time the national GDP grew by 2.6% and the GDP of Nunavut and Yukon grew by 7.7% and 5/6% respectively.

NWT Gross Domestic Product at Basic Prices by Select Industry



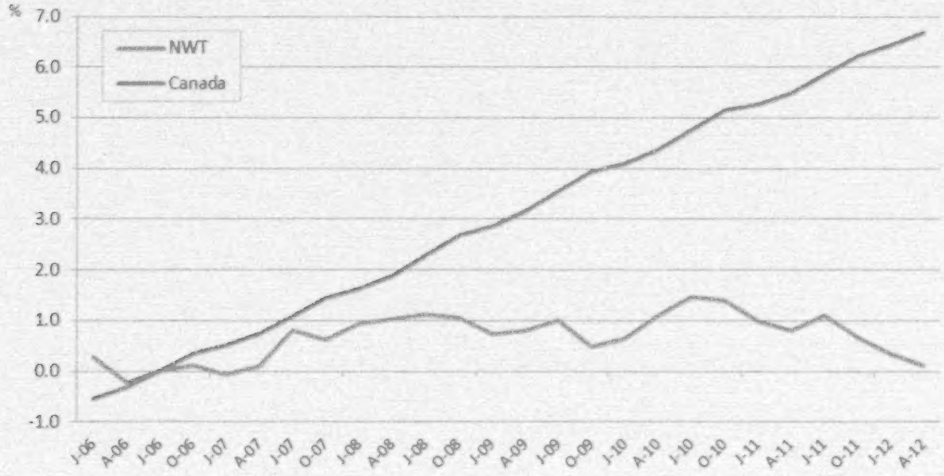
Despite last year's decline in GDP, brighter prospects are expected for this year and the next. Diamond production and activity associated with the known oil and gas potential in the Sahtu are expected to ramp up, increasing private investment spending and resulting in real GDP growth.

A new Mineral Development Strategy and an Economic Development Strategy will outline the GNWT's approach to take advantage of the opportunity for increased investment in the NWT. The focus of these strategies is to ensure the NWT's economy expands and grows in a sustainable manner, minimizing potential social and environmental impacts, and that all regions and communities in the NWT benefit from that economic growth.

Population

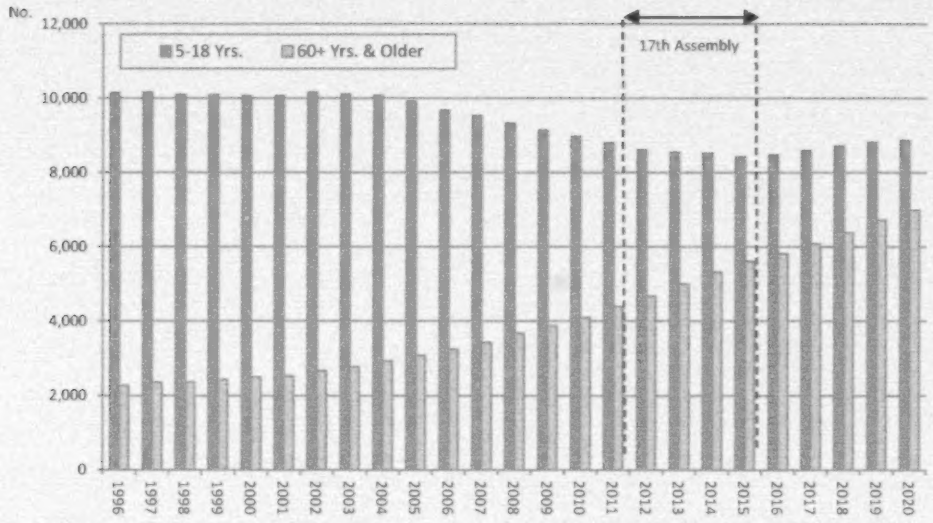
Overall population growth in the Northwest Territories has flattened in recent years. With declining birth rates, inter-provincial migration is now the most critical component of population growth in the territory. The lack of overall population growth has a direct relationship with economic growth, as well as significantly impacting the Territorial Financing Formula with the Government of Canada.

Change in Population Since 2006, NWT and Canada



There have been significant changes in age structure and community-level population growth rates that are likely to continue. The number of residents 60 years of age and over is expected to increase by 33.6% between 2011 and 2016. A trend towards urbanization continues: between 2001 and 2011, the Aboriginal population in Yellowknife grew by 18.9% while in the three largest regional centres (Fort Smith, Hay River and Inuvik) the growth of the Aboriginal population was 7.4% and only 1.9% in other smaller communities. Changes in age structure and different growth rates by community can impact the type and location of demand for government programs and services.

Changing Age Structure, (1996-2020)



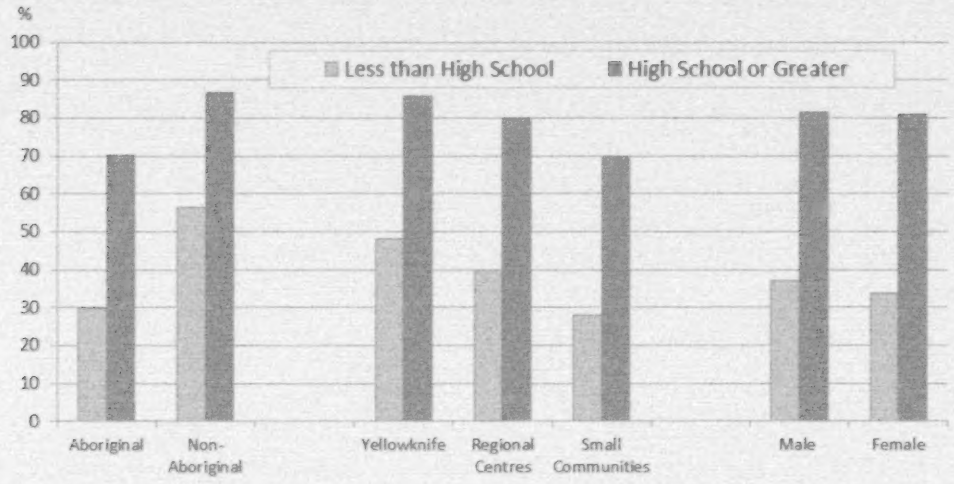
Employment

The relationship between changes in population and economic activity is reflected in recent employment trends. Overall employment rates declined significantly in the Northwest Territories with the recent recession, but are now recovering. The Conference Board of Canada forecasts employment in the Northwest Territories to increase by 3.6% this year, and another 4% in 2013.

The overall employment rate in the Northwest Territories continues to be higher than the average employment rate for Canada. In 2011, the territorial employment rate was 70.7% compared to the national employment rate of 61.8%. Despite a good overall employment rate, there are significant variations in employment rates within the territory depending on community type and education levels. This disparity is a continuing challenge. In Yellowknife, the employment rate was 80.7% while in smaller communities, it was 59.3%.

As employment rates for those who have graduated from high school are almost double the rates of those who have not, regardless of ethnicity, geography or gender, it is clear that education levels are the most direct indicator of employment. High school graduation rates in the NWT, and, in particular, graduation rates for Aboriginal students, have improved although they still lag behind the average graduation rate in Canada by about 20%. The gap in results between Aboriginal and non-Aboriginal students is still apparent.

Employment Rate by Highest Level of Schooling (2009)



Decentralization

Decentralization represents an opportunity to equitably distribute public service employment and associated economic benefits across the NWT. The GNWT is looking at ways this can be accomplished recognizing its overarching responsibility of fairness to its staff and the need for continued effective and efficient delivery of programs and services.

Immediate opportunities for decentralization have been identified and approved in various departments. The following decentralization initiatives will be implemented in 2013-14:

Single Window Service Centres Government Service Officer Positions
Executive

Executive will utilize existing funding from a vacant Regional Operations Supervisor position in Inuvik, as well as other O&M funding, to fund 3 Government Service Officer positions that will support part-time Government Service Centres in Tsiigehtchic, Wrigley and Fort Resolution.

Communications Officer – Liquor Licensing and Enforcement
Finance

Finance will establish a new Communications Officer in Hay River to provide corporate communications services to the Northwest Territories (NWT) Liquor Licensing & Enforcement Division, as well as the NWT Liquor Commission. The funding to support this position will be provided from liquor revenues.

Functional Recruitment Officer and Help Desk Supervisor
Human Resources

Human Resources will transfer a Functional Recruitment Officer position located in Yellowknife to Inuvik and the reallocate existing resources (i.e. Contracts base funding from Corporate Human Resources Division provided for the 20/20 Stabilizing Human Resources Service Delivery) to establish a new HRHelpDesk Supervisor position to be located in Inuvik.

Business Incentive Policy (BIP) Monitoring Office
Industry, Tourism and Investment

The BIP Monitoring Office will move from Yellowknife to Hay River. Included are four positions as follows: Manager, GNWT Procurement, Policy, Reporting and Standards; Senior Contract Reporting Officer; Contract Reporting Officer and a BIP Registrar.

Enhancement to Regional Operations and North Slave Youth Officer
Municipal and Community Affairs

Municipal and Community Affairs (MACA) will re-profile funding of $408,000 for three existing Mackenzie Gas Pipeline (MGP) positions located in Yellowknife, as well as combining resources retained in MACA as a result of Shared Financial Services (SFS) implementation, and will establish five Assistant Regional Superintendent positions to continue to provide strong financial management within the department while supporting community governments on their accountability requirements and with managing the opportunities and impacts associated with resource exploration and development. These positions will be located in Inuvik, Norman Wells, Behchoko, Fort Simpson and Fort Smith.

MACA will create a new Youth Officer position for the North Slave region and will redefine the Yellowknife Youth Officer position to focus on territorial coordination across all youth-related functions within the department.

Community Wellness Coordinators
Health and Social Services

Health and Social Services will fund two community wellness coordinator positions, one in each of Fort Smith and Inuvik, through the re-profiling of $300,000 funding provided for travel, and research/writing to support a 6-month Ministers Forum to travel to communities to explore the most effective community-based programming approaches, the results of which would identify ongoing investments to support effective community-based programming for addictions.

As well, currently there are significant vacant regional positions. As such, a regional recruitment strategy is being developed to maximize local and community access to these employment opportunities, correlated to labour force availability.

In the mid-term, there may be opportunities for decentralization related to the devolution of land and resource management responsibilities from the Government of Canada to the

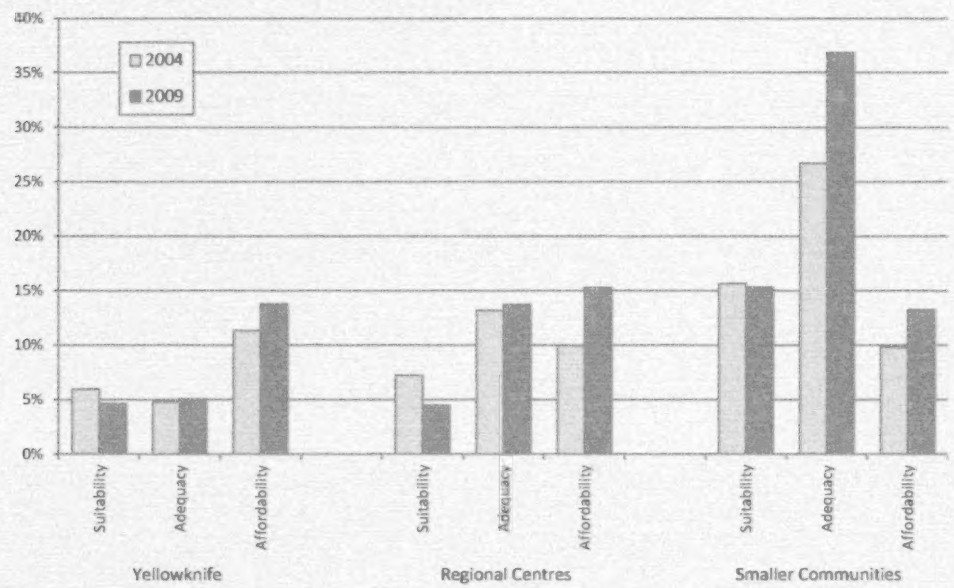
Government of the Northwest Territories. The organizational design work being undertaken in support of devolution will be guided by the principal of taking advantage of opportunities that devolution may present. Availability of housing and office space, human resource and cost implications as well as matching skills are all considerations in longer term planning for decentralization as to is the recognition that these constraints affect Aboriginal governments, community governments and industry.

Social Conditions

Social conditions in many areas have shown improvement in recent years and work undertaken in 2013-14 is planned to ensure this trend continues.

With 65.4% of households in smaller communities, 33.5% of households in regional centres and 23.5% of household in Yellowknife having some sort of housing problems in 2009, improving housing conditions is an important priority for the 17th Legislative Assembly. *Building for the Future: Northern Solutions for Northern Housing* is the government's strategic framework that will guide its actions aimed at improving housing conditions in the NWT. The framework was released in April 2012 and identifies strategic priorities and actions that will address the spectrum of need from homelessness to homeownership over the long term.

Housing Problems by Community Type (2004 and 2009)



Life expectancy in the NWT is 6 years lower than the Canadian average and the NWT lags behind Canada on many indicators of general health. Physical activity levels in the NWT are a health concern, similar to elsewhere in Canada. Some 63% of NWT residents 15 years of age and older are overweight or obese, compared with 51% of Canadians. Similarly, fewer NWT residents eat healthy amounts of fruits and vegetables than do residents in general in Canada.

As evidenced in the latest NWT Health Status Report, a high incidence of mental health challenges in our population continues to be a problem. The 2009 NWT Addictions Survey shows that the high rate of substance use continues to be a concern across the Territory. Mental health issues quite often lead to substance abuse and vice versa, with 58% of hospitalizations for mental illness caused by substance related disorders.

The crime rate in the NWT is about eight times the national average and the gap between the territory and Canada has been widening over the past decade. Crime in the Northwest Territories is largely driven by socio-economic factors, including addictions and mental health issues, family violence and dysfunction, poverty, homelessness, low literacy and education levels, and low employment prospects. Mischief, disturbing the peace and administration of justice offences, such as breach of probation, all of which are often related to abuse of alcohol, represent the overwhelming majority of criminal incidents reported to police. Increases in the violent crime rate over the last ten years are troubling, although they constitute a smaller proportion of overall crime.

There is a very strong correlation between social issues and households with low income and there is considerable disparity in income distribution by community type. In 2009, 16.7% of families in the NWT had a total annual household income under $30,000. Broken down further, 10.1% of families in Yellowknife, 17.5% of families in the regional centers of Hay River, Inuvik or Fort Smith, and 26.5% of families in the smaller communities reported having had under $30,000 in annual income.

The government is working collaboratively with stakeholders from across the NWT to develop a plan to improve the well-being and self-reliance of Northerners and further reduce poverty in the territory. Efforts will focus on poverty related issues such as support for children and families, improved education and life skills, the housing situation, and jobs that provide a healthy standard of living.

Governance

Governance is continuing to evolve with the signing of the Agreement-in-Principle on devolution of the administration and management of public lands from the Government of Canada to the GNWT. Transferring control of the NWT's natural resources from the Government of Canada to the GNWT will promote self-sufficiency and prosperity of the Territory and reduce its reliance on federal funding.

Devolution provides new opportunities for NWT governments, both public and Aboriginal, to work together to ensure that land use, natural resource stewardship, and regulatory improvement are managed in the best interests of NWT residents. A great deal of planning is also needed to facilitate a smooth transition and effective implementation. It is expected that a devolution final agreement will be signed in 2012 and come into effect in 2014.

The GNWT remains committed to strengthening and renewing its relationship with Aboriginal government partners as evidenced in its Aboriginal Engagement Strategy titled: *Respect, Recognition, Responsibility: The Government of the Northwest Territories' Approach to Engaging with Aboriginal Governments.*

Concluding land, resources and self-government agreements is an essential element of the political evolution of the NWT, an opportunity to right historic wrongs, and, when completed, will be the foundation for economic and political stability in the NWT.

Environment

The GNWT faces continuing land use challenges and there is an on-going need to promote responsible and sustainable development that preserves both our environment and future economic opportunities. Sustainable development of the territory's natural resources and the conservation and protection of its wildlife, forest, land and water resources need to go hand in hand.

Environmental stewardship and management of natural resources is a shared responsibility in the Northwest Territories. Our decisions need to be guided by a long-term vision that ensures territorial residents enjoy the benefits of the land and its resources for generations to come.

The development of a NWT Land Use and Sustainability Framework will guide GNWT decision making about land use matters in a consistent manner based on clear interests now and after devolution. As a first step, the GNWT has released and invited comments and input on a Land Use and Sustainability Framework discussion paper which lays out its vision, principles and land interests. Public feedback on the discussion paper will help create a relevant, responsive and balanced framework.

Infrastructure

Territorial infrastructure has been improved and expanded, but aging infrastructure, high construction costs and sunsetting federal programs continue to present challenges. A number of Federal cost sharing programs are coming to an end and the decline of funding from these programs will, in many areas, result in the return of our capital budget back to the pre-recession levels which will not meet our on-going infrastructure investment needs and address our deferred maintenance deficit. However, with the continuation of the gas tax which has now been legislated, the GNWT is advancing negotiations with Canada on the renewal of the federal government's Building Canada Plan.

The GNWT's increased borrowing limit will help it to fund some infrastructure priorities in the last two years of the 17th Assembly and still manage its finances responsibly. The 17th Legislative Assembly has identified as a priority investments in the Inuvik-Tuktoyaktuk highway, the Mackenzie Valley Fibre Optic link and hydro initiatives. Preparatory work on those initiatives is underway. Similarly, the GNWT remains committed to investing in community governments to address their infrastructure priorities.

3. RESPONDING TO PRIORITIES

This section provides a summary of specific GNWT activities that respond to and advance the priorities of the 17th Legislative Assembly. Some of these are new strategic activities whereas others are part of the government's on-going business, but they all directly support the priorities of *Believing in People and Building on the Strength of Northerners*. More details on these activities are included in the 2013-14 departmental business plans. These tables are only summaries and do not reflect all activities being undertaken by the GNWT.

Priority: Build a strong and sustainable future for our Territory

Priority Actions	*Activities*
o Strengthening our relationships with Aboriginal and other northern governments	o Implement the Aboriginal Government Engagement Strategy with a view to building and maintaining mutually respectful relations and advancing territorial priorities. o Continue to make progress in finalizing land, resources and self-government agreements that are workable, affordable and respectful of Aboriginal rights, and ensure that all GNWT obligations within the agreements are met. o Foster close relationships with Aboriginal and community governments through training and support programs to help build confident and capable Aboriginal and community governments. o Partner with community and Aboriginal governments to strengthen program and service delivery where possible.
o Negotiating and implementing a devolution final agreement	o Ongoing preparation and participation in negotiation tables and the coordination of intergovernmental planning for implementation.
o Achieving an increase to our borrowing limit	o New borrowing limit increased to $800 million. Continue to work with Finance Canada on defining what constitutes "debt" for the purposes of application against the GNWT borrowing limit.
o Working with our partners to ensure responsible stewardship through our land and resource management regime	o Coordinate GNWT interests in land use matters and finalize a Territorial Land Use and Sustainability Framework. o Provide advice and legal support through the Aboriginal Consultation unit to meet the GNWT's legal obligation in a coordinated and consistent manner. o Participate with partners in variety of activities including: regional land use planning, the NWT Protected Areas Strategy, Mineral and Energy Resource Assessments, the NWT Water Stewardship Strategy, the Greenhouse Gas Strategy, developing a new Wildlife Act, the NEB's review of Arctic Safety and Environmental Offshore Drilling, and the Traditional Knowledge Implementation Plan.

Priority: Increase employment opportunities where they are most needed

Priority Actions	*Activities*
o Decentralizing more GNWT positions	o Develop a regional recruitment strategy to maximize local and community access to current employment opportunities. o As part of planning for devolution implementation, consideration will be given to overall organizational design for the GNWT and in particular, location of new positions being established.
o Reducing dependency on government by encouraging people who are able to enter or remain in the workforce	o Income Security Policy Framework and Income Security programs encourage people to pursue activities that lead to self-reliance. o Develop and implement an action plan in response to recommendations from Adult Literacy and Basic Education Review to better assist adults to acquire skills needed for self-reliance. o Work with partners to implement NWT Labour Force Development Framework to address training needs in regions and communities. o Collaboratively with stakeholders develop an NWT Anti-poverty strategy based on the priorities of the 17th Assembly. o Maximize northern employment, training, community wellness and business benefits through socio-economic agreements from industry. o Support employment and training in small communities (Small Community Employment Supports Program)
o Supporting childcare programs to help parents become or stayed employed	o Provide early childhood development programs and services. o Child Care Subsidies financially assist parents with the cost of childcare while parents are working, attending school or taking training.

Priority: Strengthen and diversify our economy

Priority Actions	Activities
o Making strategic infrastructure investments such as:	
- The Inuvik-Tuktoyaktuk Highway	o The Inuvik-Tuktoyaktuk highway will support the development of the oil and gas industry and enable economic diversification. The construction and ongoing maintenance of the highway will provide economic opportunities, long term jobs for the region and increased tourism.
- Mackenzie Valley Fibre Optic Link	o Continue to pursue P3 procurement approach to the Mackenzie Valley Fibre Optic Link.
- Hydro Initiatives	o The draft Hydro Strategy includes environmental, engineering and financial analysis as well as alternative energy – solar, wind, biomass, geothermal
	o Along with these major projects, the GNWT continues to invest in deferred maintenance projects as well as other programs such as the Capital Asset Retrofit Program that retrofits assets for energy efficiency.
o Supporting the Mackenzie Gas Pipeline project	o Coordinate GNWT response to the challenges and opportunities that will be generated through the development, including those related to the MGP socio-economic agreement and construction phase.
	o Contribution funding to the Aboriginal Pipeline Group to support their one-third ownership interest.
	o Coordinate and implement GNWT responsibilities in regards to legislated regulatory processes.
	o The Mackenzie Valley Highway will share the corridor with the MGP. It will improve project feasibility and mitigate risks associated with project. It will also support the expansion of oil and gas activities, hydro and tourism opportunities.
o Developing a socially responsible and environmentally sustainable economic development and mining strategy	o Existing components that could support an economic development and mining strategy include: Tourism 2015, SEED (Support to Entrepreneurs and Economic Development), Geosciences Programs, Diamond Policy Framework and socio-economic agreements.
o Supporting the traditional economy	o Current programs and activities that promote and support the traditional economy include: - Take a Kid Trapping, Genuine Mackenzie Valley Fur Price Program, Community Harvesters Assistance Program etc. - Aboriginal Language and Culture-Based Education Programs and contribution programs that support traditional art, culture and heritage activities. - Traditional Knowledge Implementation Plan, Caribou Management Strategy, Wildlife Act, support for Wildlife Co-management regimes. - Provide wellness funding to support on-the-land activities related to community wellness.
o Improving our regulatory processes	o Coordinate GNWT participation and input in Regulatory Improvement Initiatives to provide a strong policy base for negotiation of a Final Devolution Agreement. This includes amendments to the *Mackenzie Valley Resource Management Act* and

Priority Actions	Activities
	development of the *NWT Surface Rights Board Act*. o Coordinate and participate in environmental assessment and regulatory process. Monitoring, mitigation and adaptive management as required.

Priority: Address housing needs

Priority Actions	Activities
○ Implementing *Building for the Future: Northern Solutions for Northern Housing*, the GNWT's new strategic framework for housing.	○ *Building for the Future: Northern Solutions for Northern Housing* includes actions associated with: - Strengthening public housing including implementing new public housing rent scales. - Improving homeownership supports including examining eligibility criteria and strengthening homeownership repair programs. - Addressing other aspects of the housing continuum like housing supply and adequacy in non-market communities, strengthening the approach to homelessness, and improving housing services. - Addressing the declining CMHC funding for operating social housing.
○ Selling our public housing stock where this makes sense	○ Continue to support homeownership and modernize the public housing stock by providing public housing tenants the opportunity and support to purchase their unit. ○ Continue to work with communities and other partners to ensure land availability for housing development and continue to address the issue of the transfer Commissioner's Land to the NWTHC in fee simple title to facilitate the sale of public housing stock.
○ Putting higher density housing units in small communities	○ Continue with the strategy of replacing older single detached units with the construction of multi-family units in the public housing portfolio wherever possible. ○ In addition to higher density housing units, continue to work with partners to improve energy efficiency and the availability of alternative energy programs within the housing sector.

Priority: Ensure a fair and sustainable health care system

Priority Actions	*Activities*
○ Investing in prevention, education and awareness and early childhood	○ Carry out health promotion and prevention activities including interventions and public messaging on physical activity, healthy eating, mental health and addictions, tobacco reduction and cessation, injury prevention and high-risk sexual activity. For example: Don't be a Butthead, Drop the Pop, Arrive Alive, Healthy Choices, Get Active. ○ Partner with communities to develop culturally appropriate child development and prenatal programs. ○ Strengthen integrated case management to provide better assessment, treatment and aftercare services for at-risk youth and adults. Examine multi-disciplinary, multi-agency approaches to identifying and implementing longer-term social supports for some offenders to prevent re-offending and to address underlying health or social issues. ○ Raise awareness and reduce occurrence of family violence and elder abuse. ○ Implement *A Shared Path Towards Wellness, the GNWT's 2012-15 Mental Health and Addictions Action Plan*, ensuring access to comprehensive mental health and addictions services through: - Increasing public understanding of mental health and addictions (MHA) - Integrating MHA programs into primary community care; and - Improving access to services and increasing accountability
○ Enhancing addictions treatment programs using existing infrastructure	○ Improve access to treatment using a variety of community-based approaches including day treatment programs, on-the-land healing programs, and school-based community access programs.
○ Addressing health facilities deficit	○ Make strategic investments into critical and acute care facilities to meet standards related to infection control and allow for ongoing delivery of effective and safe patient care. Continue to replace/renovate aging health infrastructure such as those in Hay River, Norman Wells and the Stanton Territorial Hospital through capital planning process.

4. Fiscal Position and Budget

Fiscal Overview

The GNWT's fiscal strategy calls for a return to surpluses to pay down the short-term borrowing incurred for capital investments over the past few years and to generate cash to invest in future infrastructure projects. In order to accomplish this, expenditure growth, net of compensation increases, will be capped at 2 per cent. The GNWT share of capital investment will continue to be held at $75 million. The proposed 2013-14 Operations Expenditures support this strategy.

The draft 2013-14 Annual Business Plans propose Operations Expenditures totalling $1.428 billion. This represents growth of about 1.25% from the 2012-13 Main Estimates. Not included in these Business Plans is the financial impact associated with the new Collective Agreement with the Union of Northern Workers. The estimated adjustment for salary increases is approximately $10 million and when added to Operations Expenditures, represents growth of 1.96%.

The proposed 2013-14 Operations Expenditures includes $29.0 million for Forced Growth, $16.4 million for Initiatives and Other Adjustments and offset by $26.4 million in sunsets.

Total revenues for the 2013-14 fiscal period are forecast to be $1.594 billion, which is a 4.61% increase from the 2012-13 Main Estimates. The GNWT will continue to rely on federal transfers for the bulk of its revenues. However, demands for programs and services and infrastructure will continue to place pressure on expenditures.

Operation Expenditures ($000)

	2012-13 Main Estimates	Transfers and Restatements	Sunsets	Reductions	Initiatives	Other Adjustments	Forced Growth	Amortization Requirements	2013-14 Business Plans	Increase/ (Decrease)	Percent Change
LA	18,508	-	-	-	-	-	-	-	18,508	-	0.00%
Executive	22,862	-	(9,301)	-	6,071	-	584	-	20,216	(2,646)	-11.57%
HR	42,796	(1,278)	(344)	-	-	-	439	-	41,613	(1,183)	-2.76%
AAIR	7,304	-	-	-	-	-	-	(15)	7,289	(15)	-0.21%
Finance	76,663	831	(6,589)	-	-	250	1,731	-	72,886	(3,777)	-4.93%
NWTHC	65,458	(46)	(758)	-	-	-	1,540	-	66,194	736	1.12%
MACA	95,533	(67)	(554)	-	-	200	3,227	-	98,339	2,806	2.94%
PW&S	93,682	3,843	(1,760)	-	-	4,920	4,282	(560)	104,407	10,725	11.45%
H&SS	349,926	(2,811)	(2,358)	-	-	1,267	5,091	-	351,115	1,189	0.34%
Justice	113,674	-	(588)	-	-	590	1,801	-	115,477	1,803	1.59%
ECE	289,107	(68)	(910)	-	-	1,128	3,502	-	292,759	3,652	1.26%
DOT	120,415	(195)	-	-	-	-	1,685	-	121,905	1,490	1.24%
ITI	49,560	(104)	(2,356)	-	-	-	799	(41)	47,858	(1,702)	-3.43%
ENR	65,693	(105)	(950)	-	1,700	285	3,803	(178)	70,248	4,555	6.93%
	1,411,181	**-**	**(26,468)**	**-**	**7,771**	**8,640**	**28,484**	**(794)**	**1,428,814**	**17,633**	**1.25%**

Elements of Change in Operation Expenses ($000)

	2012-13 Main Estimates	2013-14 Business Plans	Increase (Decrease) from 2012-13 Main Estimates	Percentage Change from 2012-13 Main Estimates
Legislative Assembly	18,508	18,508	-	0.00%
Executive Offices	22,862	20,216	(2,646)	-11.57%
Human Resources	42,796	41,613	(1,183)	-2.76%
Aboriginal Affairs and Intergovernmental Relations	7,304	7,289	(15)	-0.21%
Finance	76,663	72,886	(3,777)	-4.93%
NWT Housing Corporation	65,458	66,194	736	1.12%
Municipal and Community Affairs	95,533	98,339	2,806	2.94%
Public Works and Services	93,682	104,407	10,725	11.45%
Health and Social Services	349,926	351,115	1,189	0.34%
Justice	113,674	115,477	1,803	1.59%
Education, Culture and Employment	289,107	292,759	3,652	1.26%
Transportation	120,415	121,905	1,490	1.24%
Industry, Tourism and Investment	49,560	47,858	(1,702)	-3.43%
Environment and Natural Resources	65,693	70,248	4,555	6.93%
	1,411,181	**1,428,814**	**17,633**	**1.25%**